

Exhibit No. 3Date 2-2-15Bill No. SB191

Bert Hopeman

2299 Bridger Woods Road
Bozeman, MT 59715
406-581-1908

Statement to Senate Administration Committee
about SB 191 on 02-02-15

Dear Senators:

I am Bert Hopeman and my wife and I own Sharbert Enterprises Inc. which manages the food, beverage and retail concession at Lewis & Clark Caverns State Park. We purchased the concession contract from the previous concessionaire in 2005 in its 12th year. The contract had 8 more years left on it. It was effectively a 20 year contract. To my understanding when the previous concessionaire took over the concession at Lewis & Clark Caverns State Park it was barely developed, very crude. The previous concessionaire spent a lot of his own money and time developing the concession. He put in a kitchen, dining area and retail shop. My guess is he spent about \$200,000 to \$250,000 in today's dollar. Had Montana State Parks been limited at that time to a 7 year contract, I doubt that the previous concessionaire would have spent the money and time to develop the concession. He would not have had time to amortize the cost of development.

Let me explain it this way. If a couple with an after tax income of \$80,000 decided to buy a house and take out a 20 year, \$300,000 mortgage, their principle payment would average \$15,000, a manageable amount for an \$80,000 after-tax income. However, if there was a law that prohibited mortgage lenders from issuing mortgages greater than 7 years, this same couple would have a principle payment averaging almost \$43,000, way too much for their

after-tax income. If such a law existed, think of all the economic activity that would never occur, all the jobs that would be lost and all the revenue that the State of Montana would lose. Thankfully such a law does not exist that limits mortgages, but there is such a law that limits concession contracts which has the same effect.

It's quite simple. By granting the State the ability to contract for 20 years as defined by SB191, greater development with private money will take place in the State's parks, more jobs will be created, more revenue will be generated for the State, and more facilities will be available for the citizens of the State. That seems to me to be a very good outcome. A win, win. I, therefore, encourage this prestigious committee to vote for SB 191. I will be glad to answer any questions.